

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



W-01944A  
Lago Del Oro Water Company  
9532 East Riggs Road  
Sun Lakes, AZ 85248

**RECEIVED**

MAY 15 2006

**AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES**

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2005
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FOR COMMISSION USE

ANN04	05
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entered  
5-15-06  
RF

## COMPANY INFORMATION

**Company Name (Business Name)** LAGO DEL ORO WATER COMPANY

**Mailing Address** 9532 E RIGGS ROAD

(Street)

SUN LAKES

ARIZONA

85248

(City)

(State)

(Zip)

(480) 895-9200

(480) 895-4347

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** 40,004 S RIDGEVIEW BLVD

(Street)

TUCSON

ARIZONA

85739

(City)

(State)

(Zip)

(520) 825-3423

(520) 825-0712

(520) 932-5892

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** JAMES POULOS

GENERAL MANAGER

(Name)

(Title)

9532 E RIGGS ROAD

SUN LAKES

ARIZONA

85248

(Street)

(City)

(State)

(Zip)

(480) 895-9200

(480) 895-4347

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** ED MACMEANS

(Name)

40,004 S RIDGEVIEW BLVD

TUCSON

ARIZONA

85739

(Street)

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(State)

(Zip)

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Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** JAMES D. HUBBARD

(Name)

9532 E RIGGS RD

SUN LAKES

AZ

85248

(Street)

(City)

(State)

(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** MARTY ARONSON

(Name)

ONE E CAMELBACK ROAD

PHOENIX

ARIZONA

85012

(Street)

(City)

(State)

(Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☒ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**COMPANY NAME**

LAGO DEL ORO WATER COMPANY

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	42,608	0	42,608
304	Structures and Improvements	100,414	28,127	72,287
307	Wells and Springs	1,757,991	682,165	1,075,826
311	Pumping Equipment	2,255,329	723,442	1,531,887
320	Water Treatment Equipment	499,277	193,470	305,807
330	Distribution Reservoirs and Standpipes	2,630,868	890,762	1,740,106
331	Transmission and Distribution Mains	3,556,918	1,424,838	2,132,080
333	Services	1,266,521	453,664	812,857
334	Meters and Meter Installations	479,115	175,389	303,726
335	Hydrants	500,779	215,343	285,436
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	658,490	219,587	438,903
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>13,748,310</b>	<b>5,006,787</b>	<b>8,741,523</b>

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	42,608	0	0
304	Structures and Improvements	100,414	.0500	5,020
307	Wells and Springs	1,757,991	.0490	86,084
311	Pumping Equipment	2,255,329	.0490	110,529
320	Water Treatment Equipment	499,277	.0500	24,964
330	Distribution Reservoirs and Standpipes	2,630,868	.0497	130,630
331	Transmission and Distribution Mains	3,556,918	.0465	165,325
333	Services	1,266,521	.0463	58,629
334	Meters and Meter Installations	479,115	.0462	22,152
335	Hydrants	500,779	.0490	24,560
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	658,490	.0491	32,343
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	13,748,310	.0480	660,236

This amount goes on the Comparative Statement of Income and Expense AMORT OF CIAC (14,817)  
Acct. No. 403. 645,419

**COMPANY NAME**

LAGO DEL ORO WATER COMPANY

**BALANCE SHEET**

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 67,262	\$ 226,102
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	137,975	155,208
146	Notes/Receivables from Associated Companies	170,004	109,954
151	Plant Material and Supplies		
162	Prepayments	36,121	28,351
174	Miscellaneous Current and Accrued Assets	140,410	111,182
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 551,772	\$ 630,797
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 13,904,244	\$ 13,748,310
103	Property Held for Future Use		
105	Construction Work in Progress	35,785	45,875
108	Accumulated Depreciation – Utility Plant	4,706,550	5,006,787
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 9,233,479	\$ 8,787,398
	<b>TOTAL ASSETS</b>	\$ 9,785,251	\$ 9,418,195

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

### **BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 101,258	\$ 53,641
232	Notes Payable (Current Portion)	589,021	611,253
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	388,239	381,581
236	Accrued Taxes	77,814	83,860
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	30,103	31,239
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 1,186,435	\$ 1,161,574
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 2,979,165	\$ 2,442,616
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	576,456	663,558
255	Accumulated Deferred Investment Tax Credits	438,669	473,233
271	Contributions in Aid of Construction	(332,475)	(347,292)
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 682,650	\$ 789,499
	<b>TOTAL LIABILITIES</b>	\$ 4,848,250	\$ 4,393,689
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 150,500	\$ 150,500
211	Paid in Capital in Excess of Par Value	4,322,625	4,322,625
215	Retained Earnings	463,876	551,381
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 4,937,001	\$ 5,024,506
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 9,785,251	\$ 9,418,195

**COMPANY NAME**

LAGO DEL ORO WATER COMPANY

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 1,744,048	\$ 1,812,459
460	Unmetered Water Revenue		
474	Other Water Revenues	58,454	29,158
	<b>TOTAL REVENUES</b>	<b>\$ 1,802,502</b>	<b>\$ 1,841,617</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 167,090	\$ 171,607
610	Purchased Water		
615	Purchased Power	371,005	334,216
618	Chemicals	3,422	10,174
620	Repairs and Maintenance	102,871	87,727
621	Office Supplies and Expense		
630	Outside Services	45,600	48,275
635	Water Testing	18,121	16,746
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	20,922	22,033
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	74,284	69,097
403	Depreciation Expense	652,174	645,419
408	Taxes Other Than Income		
408.11	Property Taxes	117,488	125,296
409	Income Tax	17,278	29,273
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,590,255</b>	<b>\$ 1,559,863</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 212,247</b>	<b>\$ 281,754</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 9,298	\$ 6,759
421	Non-Utility Income		6,948
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	169,985	207,958
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ (160,687)</b>	<b>\$ (194,251)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 51,560</b>	<b>\$ 87,503</b>



<b>COMPANY NAME</b>	LAGO DEL ORO WATER COMPANY
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## **SUPPLEMENTAL FINANCIAL DATA**

### **Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	7/27/00	03/05/01		
Source of Loan	CALIFORNIA BANK & TRUST	CALIFORNIA BANK & TRUST		
ACC Decision No.	62845	62845		
Reason for Loan	PLANT ADDITIONS	PLANT ADDITIONS		
Dollar Amount Issued	\$ 2,894,259	\$ 1,500,000	\$	\$
Amount Outstanding	\$ 2,011,415	\$ 1,042,454	\$	\$
Date of Maturity	07/27/06	07/27/06		
Interest Rate	PRIME %	PRIME %	%	%
Current Year Interest	\$ 136,971	\$ 70,987	\$	\$
Current Year Principle	\$ 338,752	\$ 175,565	\$	\$

Meter Deposit Balance at Test Year End

\$ 381,581

Meter Deposits Refunded During the Test Year

\$ 80,233

COMPANY NAME

LAGO DEL ORO WATER COMPANY

**WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
SEE ATTACHED						

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
SEE ATTACHED		372	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	2	15,000	1
250,000	2	10,000	2
200,000	1	6,000	2
100,000	1	2,000	6

12,000

3

1,000

3

**Well Site Facilities**  
**Lago Del Oro Water Company**

Location	POE #	DWR #	Pump Horsepower	Pump Yield in GPM's	Casing Depth in Feet	Casing Diameter in Inches	Meter Size (Inches)	Year Drilled
<b>Well # 1</b>	POE 001	55-613452	75	560	804	16	6	1963
<b>Well # 3</b>	POE 003	55-613459	2	15	241	8	1	1973
<b>Well # 4</b>	POE 004	55-613454	150	350	800	16	8	1963
<b>Monitoring Well # 4</b>		55-514519	N/A	N/A	N/A	N/A	N/A	N/A
<b>Well # 5</b>	POE 005	55-613455	15	75	300	10	3	1972
<b>Well # 6</b>	POE 006	55-613456	30	120	450	8	3	1973
<b>Well # 7</b>	POE 007	55-613460	10	25	495	8	2	1972
<b>Well # 8</b>	POE 008	55-613457	7.5	120	225	8	3	1972
<b>Well # 11</b>	POE 003	55-613458	3	35	609	8	1	1981
<b>Well # 13</b>	POE 013	55-623397	15	70	310	10	2	1971
<b>Well # 14</b>	POE 014	55-518207	200	1385	800	16	8	1987
<b>Well # 15</b>	POE 015	55-526451	200	1000	804	16	8	1990
<b>Well # 16</b>	POE 004	55-547494	300	1300	959	16	10	1996
<b>Well # 17</b>	POE 017	55-548874	200	1100	1100	16	10	1995
<b>Well # 18</b>	POE 017	55-548873	100	330	1109	16	6	1996
<b>Well # 19</b>	POE 019	55-573651	150	490	1200	20	6	1999

## BOOSTER PUMPS

Horsepower	Quantity
75	3
50	2
40	2
30	6
20	6
15	4
10	2
5	4
3	1

COMPANY NAME

LAGOE DEL ORO WATER COMPANY

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)****MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	5,943
3	PVC	20,497
4	PVC	86,007
5		
6	PVC	153,029
8	PVC	119,297
10	PVC	23,676
12	PVC	4,903

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	5,806
1	62
1 1/2	8
2	49
Comp. 3	4
Turbo 3	
Comp. 4	1
Tubo 4	
Comp. 6	4
Tubo 6	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**


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**STRUCTURES:**


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**OTHER:**


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COMPANY NAME: LAGO DEL ORO WATER COMPANY

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	5,565	44,634,092	40,737
FEBRUARY	5,586	34,982,803	35,215
MARCH	5,619	55,009,300	62,474
APRIL	5,646	69,641,687	71,433
MAY	5,663	89,747,145	82,058
JUNE	5,688	110,905,742	115,568
JULY	5,717	115,105,301	110,460
AUGUST	5,740	56,698,566	57,120
SEPTEMBER	5,761	69,336,855	72,325
OCTOBER	5,775	85,196,538	95,606
NOVEMBER	5,805	64,307,780	64,860
DECEMBER	5,820	54,762,762	68,086
TOTAL		851,328,569	875,942

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(x ) Yes ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(x ) Yes ( ) No

If yes, provide the GPCPD amount: 231 (2000)

What is the level of arsenic for each well on your system. SEE ATTACHED mg/l  
(If more than one well, please list each separately.)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

# Lago Del Oro Water Company

Well # 1 - POE 001	15916 N. Capstan Avenue	9	55-613452	D-11-14-9-AAA	<0.002 PPM
Well # 2 - POE 002	3415 E. Golder Ranch Road	9	55-613453	D-11-14-9-CDA	<0.002 PPM
Well # 3 - POE 003	5400 E. Golder Ranch Road	23	55-613459	D-11-14-23-DBD	<0.002 PPM
Well # 4 - POE 004	Section 23	23	55-514519	D-10-14-23-CAC	<0.002 PPM
Well # 5 - POE 005	15850 N. Lago Del Oro Parkway	10	55-613455	D-11-14-10-AAD	<0.002 PPM
Well # 6 - POE 006	16515 N. Lago Del Oro Parkway	2	55-613456	D-11-14-2-BDB	<0.002 PPM
Well # 7 - POE 007	Edwin Road	11	55-613460	D-11-14-11-ABD	<0.002 PPM
Well # 8 - POE 008	5447 E. Edwin Road	35	55-613457	D-10-14-35-DCC	<0.002 PPM
Well # 11 - POE 003	5180 E. Golder Ranch Road	23	55-613458	D-11-14-23-ACC	
Well # 13 - POE 013	3280 E. Lamb Drive	9	55-623397	D-11-14-9-BBD	<0.002 PPM
Well # 14 - POE 014	38514 S. Canyon View Court	27	55-518207	D-10-14-27-DDD	<0.002 PPM
Well # 15- POE 015	63579 S. SaddleBrooke Blvd.	35	55-526451	D-10-14-27-ACB	<0.002 PPM
Well # 16 - POE 004	35729 S. Boulder Crest Drive	23	55-547494	D-10-14-23-ACB	
Well # 17 - POE 017	37745 S. Boulder Wind Drive	27	55-548874	D-10-14-27-BCD	<0.002 PPM
Well # 18 - POE 017	63182 E. Desert Highland Drive	34	55-548873	D-10-14-34-BAB	
Well # 19 - POE 019	62971 E. Amberwood Court	34	55-573651	D-10-14-34-BBD	<0.002 PPM
Water Plant # 1 - POE 014	38514 S. Canyon View Court	27			
Water Plant # 2 - POE 004	35729 S. Boulder Crest Drive	23			
Water Plant # 3 - POE 017	38209 S. Desert Bluff Drive	27			
Water Plant # 4 - POE 019	62971 E. Amberwood Court	34			

**COMPANY NAME** LAGO DEL ORO WATER COMPANY **YEAR ENDING 12/31/2005**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 121,392,14

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

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THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

**LAGO DEL ORO WATER COMPANY**  
 9532 E Riggs Rd  
 Sun Lakes, AZ 85248-7411

**Bank One, N.A.**  
 201 N Central Ave Dept 383  
 Phoenix, AZ 85038

91-2/1221 **308422**  
*2172843*

Date	Amount
04/15/05	\$*****4,410.93

**Pay**  
**FOUR THOUSAND FOUR HUNDRED TEN AND 93/100 \*\*\*\*\***

Dollars

*[Signature]*

**To The Order Of** **JIM L TURNBULL - PINAL COUNTY TREASURER**  
**PINAL COUNTY TREASURERS OFFICE**  
**PO BOX 729**  
**FLORENCE AZ 85232-0729**

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

#308422# 122100024 0969 1135# #0000441093#

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:  
 1. A green & blue border and background.  
 2. A knight watermark.  
 3. A fingerprint watermark.  
 4. A heavy line background.  
 5. A heavy line background.

TO VIEW WATERMARKS  
 HOLD AT ANGLE  
 OR  
 UNDER BLACKLIGHT

**BANK ONE, N.A.**  
**111901331**  
**4272005**

DO NOT WRITE, STAMP OR SIGN IN THIS AREA - RESERVED FOR MANUAL INSTITUTION USE

3017 21711

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	9691135	308422	\$4,410.93		4/27/2005	5240193392
Customer Data	Bank #	GL Category	CD Valid/CIMS Key	CD Label		
	601	000000000000	20050429322301	20050429322301		

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW	
LAGO DEL ORO WATER COMPANY	
9532 E Riggs Rd Sun Lakes, AZ 85248-7411	914-01-0060 228 231530
Pay	
FIFTY FOUR THOUSAND TWO HUNDRED FORTY FOUR AND 26/100 *****	
Dollars	
To The Order Of	BETH FORD, PIMA COUNTY TREASURER P O BOX 98765 PHOENIX AZ 85038-0765
SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING	
*308414* 122100024 0969 135**	
*0005424426*	
ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING	

[illegible]

<b><u>Location</u></b>	<b><u>Acct #</u></b>	<b><u>Check #</u></b>	<b><u>Amount</u></b>	<b><u>Issue Date</u></b>	<b><u>Paid Date</u></b>	<b><u>Sequence</u></b>
CD	9691135	308414	\$54,244.26		4/27/2005	8740760175
<b><u>Customer Data</u></b>	<b><u>Bank #</u></b>	<b><u>GL Category</u></b>	<b><u>CD Valid/CIMS Key</u></b>	<b><u>CD Label</u></b>		
	601	000000000000	20050429322301	20050429322301		

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT CHECK WORDING	
LAGO DEL ORO WATER COMPANY	
9532 E Riggs Rd Sun Lakes, AZ 85248-7411	Bank One, N.A. 201 N Central Ave Dept 383 Phoenix, AZ 85038
9	808766
Pay	Date Amount
	09/30/05 \$*****58,230.48
FIFTY EIGHT THOUSAND TWO HUNDRED THIRTY AND 48/100 *****	
To The Order Of	BETH FORD, PIMA COUNTY TREASURER P O BOX 98765 PHOENIX AZ 85038-0765
Dollars	
Signature Area	
SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING	
308766 122100024 0969 1135 0005823048	
ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING.	

[illegible]

<b><u>Location</u></b>	<b><u>Acct #</u></b>	<b><u>Check #</u></b>	<b><u>Amount</u></b>	<b><u>Issue Date</u></b>	<b><u>Paid Date</u></b>	<b><u>Sequence</u></b>
CD	9691135	308766	\$58,230.48		10/13/2005	8740256514
<b><u>Customer Data</u></b>	<b><u>Bank #</u></b>	<b><u>GL Category</u></b>	<b><u>CD Void/CIMS Key</u></b>	<b><u>CD Label</u></b>		
	601	000000000000	20051031030701	20051031030701		

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

**LAGO DEL ORO WATER COMPANY**  
 9532 E Riggs Rd  
 Sun Lakes, AZ 85248-7411

Bank One, N.A.  
 201 N Central Ave Dept 383  
 Phoenix, AZ 85038

91-2/1221 **308767**

Date	Amount
09/30/05	\$*****4,506.47

**Pay**

**FOUR THOUSAND FIVE HUNDRED SIX AND 47/100 \*\*\*\*\***

Dollars

*Jim L. Turnbull*

Signature Area Contains a Knight & Fingerprint Check Wordmark

To The Order Of **JIM L TURNBULL - PINAL COUNTY TREASURER**  
**PINAL COUNTY TREASURERS OFFICE**  
**PO BOX 729**  
**FLORENCE AZ 85232-0729**

⑈308767⑈ ⑆122100024⑆ 0969 1135⑈ ⑆0000450647⑆

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:

1. Absence of the Knight & Fingerprint Check Wordmark on the back of the check.
2. The back of this check has an official Knight & Fingerprint Check Wordmark.
3. The back of this check has a watermark.
4. The back of this check has a fluorescent watermark.
5. The back of this check has a fluorescent watermark.

TO VIEW WATERMARKS HOLD AT ANGLE OR UNDER BLACKLIGHT

KNIGHT & FINGERPRINT

4015 67663

10/11/2005

1119013314

5240144981

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	9691135	308767	\$4,506.47		10/13/2005	5240144981
Customer Data	Bank #	GL Category	CD Valid/CIMS Key	CD Label		
	601	000000000000	20051031030701	20051031030701		

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**RECEIVED**

MAY 15 2006

**AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES**

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

<small>COUNTY OF (COUNTY NAME)</small>	MARICOPA
<small>NAME (OWNER OR OFFICIAL) TITLE</small>	JAMES L. POULOS - GENERAL MANAGER
<small>COMPANY NAME</small>	LAGO DEL ORO WATER COMPANY

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



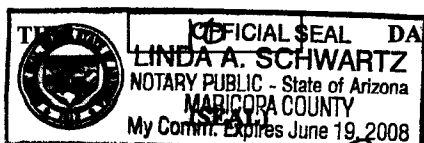
SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

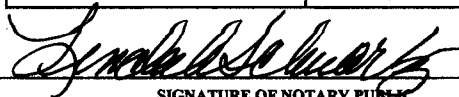
A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES

June 19, 2008

<small>COUNTY NAME</small>	MARICOPA
<small>MONTH</small>	MAY
<small>YEAR</small>	2006



SIGNATURE OF NOTARY PUBLIC

**COMPANY NAME** LAGO DEL ORO WATER COMPANY

**YEAR ENDING 12/31/2005**

**INCOME TAXES**

For this reporting period, provide the following: **TAXABLE YEAR ENDED 04/30/05**

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>45</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>125,192</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>125,192</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
**SIGNATURE**

5-10-06  
\_\_\_\_\_  
**DATE**

JAMES L. POULOS  
\_\_\_\_\_  
**PRINTED NAME**

GENERAL MANAGER  
\_\_\_\_\_  
**TITLE**

# RECEIVED

## VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

APR 27 2006

AZ CORP COMM  
Director Utilities

### VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	JAMES L POULOS - GENERAL MANAGER
COMPANY NAME	LAGO DEL ORO WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

### SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 1,962,219

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 120,202  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

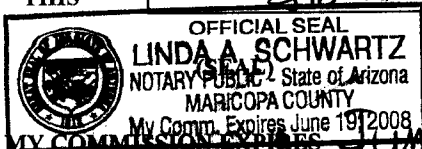
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26<sup>th</sup>

DAY OF



[Signature]  
SIGNATURE OF OWNER OR OFFICIAL  
(480) 895-9200  
TELEPHONE NUMBER

COUNTY NAME	MARICOPA
MONTH	APRIL
YEAR	2006

[Signature]  
SIGNATURE OF NOTARY PUBLIC

**RECEIVED**

APR 27 2006

AZ CORP COMM  
Director Utilities

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) JAMES L POULOS	TITLE GENERAL MANAGER
COMPANY NAME LAGO DEL ORO WATER COMPANY	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2005

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:**

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ 1,641,256
---

**(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 93,884  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

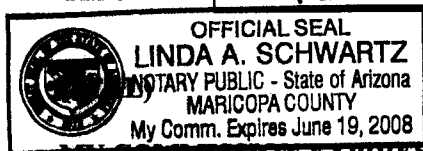
(480) 895-9200  
\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

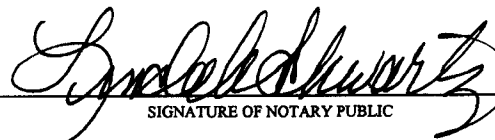
**THIS** 26<sup>th</sup> **DAY OF**

NOTARY PUBLIC NAME	
COUNTY NAME MARICOPA	
MONTH APRIL	2006



**MY COMMISSION EXPIRES**

June 19, 2008<sup>x</sup>

  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC